

NEBRASKA CULTURAL ENDOWMENT

DISTRIBUTION AND SPENDING POLICY

Revised and approved by the Board of Directors

May 1, 2020

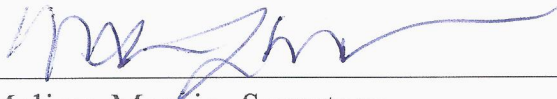
The Nebraska Cultural Endowment's (the "Endowment") Distribution and Spending Policy is established to set forth its distribution and spending priorities which are:

1. To preserve the real purchasing power of the Endowment's Corpus by taking into consideration the rate of inflation and current expenses when determining the amount available for distribution.
2. To provide an annual distribution to the Humanities Nebraska ("HN") and the NAC Development Corporation acting as an agent for the Nebraska Arts Council ("NACDC") from the earnings of the Corpus.
 - a. The annual distribution amount shall be determined by a vote of the Nebraska Cultural Endowment's Board of Directors ("Board"), following a recommendation from the Audit, Finance and Investment Committee.
 - b. The Investment and Finance Committee will recommend a distribution percentage ("distribution percentage") for the current calendar year to the Board no later than February 28 of that year.
 - c. The amount available for distribution shall be a distribution percentage of the total three-year average portfolio value.
 - d. The total three-year average portfolio value shall be the average of the total December 31 portfolio balance for the three years prior to the initial distribution and a rolling three-year average thereafter.
 - e. The total three-year average portfolio value shall be the total December 31 portfolio balance less general cash donations received in the previous calendar year ending December 31, as well as the December 31 balance of any restricted fund designated by vote of the board of directors as exempt from the HN and NACDC distribution calculation.
 - f. For budgeting purposes, the Board may communicate a target distribution percentage to the HN and NACDC. The actual distribution percentage may vary from the target distribution rate and may be as low as 0% but may not exceed 5%.

- g. The HN and NACDC may request the annual distribution from the Endowment no later than May 15.
 - h. Audited figures approved by the Board will be used to calculate distributions to HN and NACDC from the Endowment's investment portfolio.
 - i. Any amount available and not requested by either the HN or the NACDC will be carried forward into the following year, designated for that organization. The carryover amount will remain in the Endowment and will not be subject to the appreciation or depreciation of the portfolio.
 - j. First year distributions from restricted or designated funds with specific distribution and spending guidelines will be prorated based on the date on which the gift is received by the Endowment and in accordance with the fund agreement.
 - k. First year distributions from restricted or designated funds without specific distribution or spending guidelines may be treated in accordance with items "2.a" through "2.i" above. However, if it is in the interest of the donor or the Endowment's relationship with the donor, the board may elect to make distributions at the board approved distribution percentage and prorated based on the date on which the gift was received by the Endowment and only taking into account an average of the fund's December 31 value for the years in which the fund has been in existence, up to three years.
3. To pay the investment advisor's fee from the earnings of the Corpus.
 4. To annually allocate up to 2.5% of the total three-year average portfolio value to cover the administration expenses of the endowment. This amount shall be paid out of the earnings of the Corpus. Upon the recommendation of the NCE finance committee and approval by the NCE Board of Directors, the administrative assessment may be waived or reduced.

- a. The amount available for distribution shall be a distribution percentage of the total three-year average portfolio value as determined annually by the board of directors.
- b. The total three-year average portfolio value shall be the average of the total December 31 portfolio balance for the three years prior to the initial distribution and a rolling three-year average thereafter.
- c. The total three-year average portfolio value shall be the total December 31 portfolio balance less general cash donations received in the previous calendar year ending December 31, as well as the December 31 balance of any restricted fund designated by vote of the board of directors as exempt from the HN and NACDC distribution calculation.

Approved by the Board of Directors of the Nebraska Cultural Endowment,



Melissa Marvin, Secretary



Date